

HOUSE BILL 3870

By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Section 7-82-401; Section 7-82-703 and Section 68-221-1010, relative to utility districts, water systems and wastewater facilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-82-401(g)(1) is amended by deleting the second sentence and by substituting the following language:

For the purposes of this chapter, a financially distressed utility district is a utility district, its system or systems, that as shown by the annual audits, has either deficit total net assets, is in default on an indebtedness, or has a negative change in net assets for three (3) consecutive years.

SECTION 2. Tennessee Code Annotated, Section 7-82-703(a) is amended by deleting the language “that fails to comply with the provisions of 7-82-403 for three (3) consecutive years,” and by substituting the language “, it system or systems,”.

SECTION 3. Tennessee Code Annotated, Section 7-82-703(b) is amended by deleting the language “to be in compliance with 7-82-403,”.

SECTION 4. Tennessee Code Annotated, Section 7-82-703 is amended by adding the following a new subsection (d):

(d) Notwithstanding the provisions of any other law to the contrary, nothing in this section shall preclude a public utility district from operating water and sewer systems as individual or combined entities”

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.